

R.H. & B.C.D.
F. Br.

Please see F. D. endorsement and the F. D. note accompanying it on pages c/s.

2. F. D. has requested this Deptt. to forward supplementary demand for Rs. 8,51,000/- under "22 interest on Debt and other obligations- interest on Loans from Central Govt. - Interest on Loans taken for Industrial Housing Scheme". The details of Rs. 8,51,000/- verified by A.G., Bombay and as informally ascertained from F.D. are as follows:-

Scheme	Loan	Rate of interest.	Interest Amount of interest due.
Industrial Housing Scheme.	Rs. 30,03,756 repayable in 25 equated instalments of Rs. 1,97,390/-		1,18,055 1,27,659
	Rs. 77,57,100 repayable in 25 equated instalments of Rs. 509,754/-		2,75,493 3,29,677
			8,50,884

3. Necessary supplementary demand for Rs. 8,51,000/- may be forwarded as per draft put up for approval.
o/c & F.C. may please be signed.

Sd/- 3/1/56

MCK.
30/7

0152
2873

Finance Department -V

"22- Interest on Debt and Other Obligations".

Eight - monthly Revised Estimates, 1955-56.

"5. Interest on loans taken from the Central Govt. :-

8- Monthly
Revised
Estimates,
1955-56.

(X) Interest on loans taken
for Industrial Housing Scheme.

10. The total gross 8-monthly revised estimate under "22-Interest on Debt and other obligations" ~~came~~ to 3,45,39 against the sanctioned grant of 3,14,95(3,18/24 budget 3,11 supply Appropriation sanctioned in the last Autumn Session). The excess of 30, 44 may be met by presenting supply demand in the ensuing session. Br. VII(FD) may be asked to put up a supply demand of Rs. 18,61,000 under "Interest on permanent Debt-4% B.D.S. Provision 1967". The RH&BCD may be requested to forward supply demand of Rs. 8,51,000 under "Interest on Loans taken from the Central Govt. for subsidised Industrial Housing Scheme". The remaining excess will have to be covered by presenting supply demand for interest charges for capitalised value of sterling pensions.

11. An Extract copy of this note so far as it relates to "Interest on loans taken from the Central Govt." may be forwarded to the RH&BCD with a request to forward the necessary Supply demand immediately.

Id/-H.N.B.

19-1-56.

Id/-I.G.D.

21-1-56.

AS(B)

Id/- R.H.M.(ehnta)

23-1-

DS(B)

Secy.

Id/-D.E.M.(ahajan)

23-1-

Id/-V.T.D.(ehajia)

23-1-

MGK.

30-7

03/10/56
3/8

Supplementary Demand No.

"22 Interest on Debt and other obligations- Interest on Loans from Central Government - Interest on Loans taken for Industrial Housing Schemes."

Remarks

Under the Subsidised Industrial Housing Scheme, the Government of India grant loans (50% of prescribed cost) and subsidies (50% of the prescribed cost), to State Governments for the construction of tenements for industrial workers. According to the terms and conditions governing the loans granted by the Government of India under the subsidised Industrial Housing Scheme, simple interest on loans is to be paid along with the first annual equated instalment which is paid towards loan repayment. This year the first loan repayment instalments in respect of loans of Rs. 30,03,750/- and Rs. 77,57,100 sanctioned by Government of India to ~~xxxxxx~~ this Government ~~xxxxxx~~ during 1952-53 are due for payment. Interest at the prescribed rate of 4% per annum, on these amounts from the date of the drawal of loans upto 31st March 1956 is due for payment to the Government of India. The amount of interest due on both the amount of loans is Rs. 8,51,000/-.

A supplementary demand of Rs. 8,51,000 is, therefore, asked for.

Supplementary Demand
No. of Appropriation
No.
1.

Head of Account

Amount charged Rs.	Voted Rs.	s.
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2.

3.

"22 - Interest on Debt and other 8,51,000/-
Obligations- Interest on Loans
from Central Government-
Interest on Loans taken for
Industrial Housing Schemes".

BK2
28/8

P/45
R. H. & B. C. Debt.
F. Br.

The F.D. has called for revised estimates for 1955-56 and budget estimates for 1956-57 regarding Interest on and Repayments of principal of loans granted by the Govt. of India. The necessary estimates regarding repayments of Govt. of India loans granted under the Subsidised Industrial Housing Scheme for works carried out by the B.H.B. have already been sent to the F.D. vide this Deptt. endorsement No. P/42-F dated 12-11-1955. As regards estimated for interest following remarks are offered.

1) Revised estimates for Interest on Loans under S.I.H.S

The current year's budget provision for this item is "Nil". According to the terms and conditions governing the loans granted by the Govt. of India under the S.I.H.S., vide Govt. of India, Ministry of Works, Housing and Supply, letter No. H(76)/54 dated 28-5-54, simple interest on loans is to be paid along with first annual equated instalment which is paid towards loan-repayment. This year, the first loan-repayment instalments in connection with the loans of Rs. 30,03,750 and Rs. 77,570 100, sanctioned by the Govt. of India in 1952-53 are due for payment. Interest on these amounts from the dates of drawal of the loans till the current year is therefore due for payment. Please see the detailed calculation in the statement attached. The current year's revised estimate may therefore be "Rs. 420459". The F.D. may be informed accordingly. If necessary, a supplementary demand may be placed in the next session of the Legislature to cover the expenditure. The F.D. may be requested to get the figures verified by the A.G.

2) Budget Estimates for 1956-57 regarding

Interest on loans granted under the S.I.H.S.

So far as the two loans mentioned above are concerned, the annual equated instalments for repayment will include interest. Hence no separate provision for interest on the two loans seems necessary from 1956-57 onwards. In the current year, the loans sanctioned by the Govt. of India for the industrial housing schemes at Jalgaon, Poona and Sholapur are expected to be drawn in full. The loans amount to Rs. 405000. The repayment of the loans will therefore start from 1956-57 and necessary provision for the payment of the first annual equated instalments has been suggested in the next year's budget estimates, vide note accompanying this Deptt. endorsement No. P/42-F dated the 12th November 1955 addressed to the Finance Deptt. No part of the loans is yet drawn but it is expected to be drawn before the close of the year. Interest for 1 year (March 1956 to March 57) at 4 1/2% p.a. on the loans will therefore be included in the first repayment instalment, in 1956-57. No provision for interest on the loans will be necy. in the next year's estimates.

A copy of this note and the statement may be sent to the F.D. as per draft put up.

Revised Estimates- 1955-56

Loan Instalment.	Period	Amount of interest
<u>'A'</u>		
1) Rs. 7,50,937 (drawn in March 1953)	March 53 to March 54	Rs. 31,915
	March 54 to March 55	Rs. 31,915
	March 54 to March 55	Rs. 94,410
2) Rs. 22, 21,425 (drawn in March 1954)		
3) Rs. 31,388 (drawn in March 1955)		
Total:		
Rs. 30,03,750		Rs. 1,58,240

<u>'B'</u>		
1) Rs. 25,85,700 (drawn in March 1953)	March 53 to March 54	Rs. 1, 09,892
	March 54 to March 55	Rs. 1, 69,892
2) Rs. 43,35,120 (drawn in March 1954)	March 54 to March 55	Rs. 1,84, 242
3) Rs. 8,36,280 (drawn in March 1955)		
Total:-		
Rs. 77,57,100		Rs. 4,04, 026

Grand Total (A+B)	Rs. 5,62,266
Deduct Interest paid in 1953-54	- Rs. 4,41,807
(vide accompt. to F.D. endt. G.I/1054/135941- VI dated 30-8-54)	Rs. 4,20,459

P-45/5636

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Sd/-
N. M. J.

3/1/56
R.H. B.C.D.

F Br.

Resubmitted with refe. to o.N. dt. 30/1/1956.

on p 7 ante.

2. In view of the supplementary demand now forwarded to the F.D. it does not seem necy. to forward ~~9~~ monthly revised estimates to F.D.

await

Id/- 3/1/56

F Br